GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1051
ANSWERED ON:09.03.2005
POST OFFICE RECURRING DEPOSIT ACCOUNT
Ponnuswamy Shri Mohan

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Postal Department provides 7.5% interest for the amount deposited in Post Office Recurring Deposit Account and collects 15% interest for the withdrawal;

(b) if so, the reasons therefor;

(c) whether there is a proposal for the upward revision of interest on PORD account; and

(d) if so, by when is it likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b): The rate of interest admissible for the deposits made in 5 year Recurring Deposit account is 7.5%. Prior to 1st January 2005, the rate of interest for withdrawals made on or after 1st April 1993 to 31st December 2004 was 15% per annum.

For withdrawals made on or after 1st January 2005, a 2 percent interest over and above the Recurring Deposit interest rate, as on the date of withdrawal, is applicable under the Post Office Recurring Deposit Rules, 1981.

(c) & (d): The information is being collected and will be laid on the Table of the House.